



Cayman Monetary Regulatory Authority International

At the forefront of financial regulation, the Cayman Monetary Regulatory Authority International (CMRAI) is dedicated to upholding the highest standards of financial oversight and compliance. Our mission is to safeguard the stability and integrity of the global financial system by ensuring that financial services operate within a framework of transparency, accountability, and excellence.

As a trusted partner to financial institutions worldwide, CMRAI provides rigorous supervision, innovative solutions, and strategic guidance to foster a secure and thriving financial environment. With decades of experience and a commitment to global standards, we stand as a pillar of trust and security in an ever-evolving financial landscape.

With a legacy of excellence in financial oversight, the Cayman Monetary Regulatory Authority International (CMRAI) is a beacon of trust in the international financial community. Our role extends beyond regulation; we are innovators, collaborators, and protectors of the global financial ecosystem. By fostering compliance, promoting best practices, and embracing technological advancements, CMRAI ensures that financial services remain resilient and adaptable in a dynamic global market.

Our comprehensive approach to regulation encompasses a deep understanding of financial risks and a proactive stance on emerging challenges. We are committed to empowering financial institutions with the tools and guidance necessary to navigate complex regulatory landscapes, thereby contributing to global economic stability and growth.

SECTOR CONSULTATION AND FEEDBACK STATEMENT Rule on Deregistration of Private Trust Companies No. Section Comments from the Private Sector Authority's Response Consequent Amendments to the Proposed Measure GENERAL COMMENTS 1. Should the Rule indicate that CMRAI will provide a Certificate of Deregistration or Confirmation of Deregistration within X days of making the application. Presumably Rule 6.6 and 6.7 will not hold up this process. The Authority further to deregistering an entity will provide a written notice to the applicant. This is not documented in the Rule; however, you will find this in the Regulatory Procedure on Deregistration of Controlled Subsidiaries and Private Trust Companies. No changes are required. 2. It is noted that the process for the surrender of a trust license is less onerous than the proposed registration of the PTCs. Under the BTCL, a licensee is only required to produce evidence that it has repaid all deposits held by it and has transferred all trust assets held or administered by it; or in the case of liquidation, evidence of solvency. The Authority assumes that the commenter meant to use the term deregistration and not registration as framed in the comment. The deregistration measures that were developed by the Authority allow for a comprehensive deregistration process that ensures a proper exit of Private Trust Companies. No changes are required. 3. Has a deregistration form been drafted? The Authority has a Termination/Surrender/Deregistration Form in place that may be accessed via the Authority's online portal, REEFS. No changes are required. 4. What is the proposed fee for registration? We submit that the fee should be proportionate to the fee to register a PTC. Section 8 of the Private Trust Companies Regulation (PTCRS) states that a private trust company surrendering its registration shall pay to the Authority a fee of three hundred dollars upon surrendering the registration. SECTION-SPECIFIC COMMENTS 5. Rule 6.1 - A registered entity must submit an application for deregistration to the Authority when the entity intends to cease carrying on or has ceased to carry on business as a PTC. Rule 6.1 does not address the situation where the PTC may lie dormant temporarily. The applicable laws, regulations and regulatory instruments governing PTCs in the jurisdiction do not provide for cases where a PTC may lie dormant temporarily. Legally, there is no definition of what it means for a PTC to be dormant temporarily. No changes are required. 6. Rule 6.2 - The application for deregistration must be submitted to the Authority within 21 days from the date the entity ceases to carry on business of a PTC. 1. Response as the application to deregister must be accompanied by a resolution and declaration of the directors, 21 days is not sufficient time to make the application. We have several PTCs where there are 5 or more directors and obtaining documentation could be a lengthy process. The Authority has considered increasing the time frame as suggested. The measure was amended to increase the time frame to 28 days. 3 No. Section Comments from the Private Sector Authority's Response Consequent Amendments to the Proposed Measure 2. 6.2 also does not address the situation where the PTC may lie dormant temporarily. As it relates to cases where a PTC may lie dormant temporarily, the Authority's response is the same as the response provided at item 5. No changes are required. 3. In respect of comment 1 above, we suggest that Rule 6.1 should instead read within 21 days from the date the directors of the PTC resolve to cease carrying on business as a PTC. The Authority has agreed to amend the wording of Rule 6.2. Rule 6.2 has been amended to read as follows: The application for deregistration must be

submitted to the Authority within 28 days from the date the director(s) of the PTC resolve to cease carrying on business of a PTC. 4 No. Section Comments from the Private Sector Authority's Response Consequent Amendments to the Proposed Measure 7. Rule 6.4 When applying for deregistration of a PTC, the registered entity must submit all of the following documents: (a) a completed License Termination/Surrender/Deregistration form (application form) via the Authority's online portal, REEFS; (b) a Resolution signed by at least two directors of the entity which indicates the date on which the registered entity either ceased or will cease to carry on business; (c) a Declaration signed by at least two directors of the Board of the registered entity confirming that: (1) all clients are informed of the closure or intended closure of the registered entity; (2) all outstanding liabilities have been settled; (3) all outstanding complaints against the registered entity are resolved; (4) there are no current, pending or threatened legal proceedings against the registered entity; and 1. Does not work where there is a sole director. The Authority amended the Rule to capture cases where a PTC has a sole director. Regulation 4A of the PTCRs states A private trust company registering with the Authority under regulation 4(2) or a private trust company making any change to the membership of the board of the private trust company, on or after the commencement of these amending Regulations, is required to have a natural person appointed as a director As such, a PTC may have a sole director, and in such cases, the director must be a natural person. Rule 6.4 has been amended as follows: When applying for deregistration of a PTC, the registered entity must submit all of the following documents: (a) a completed License Termination/Surrender/De-registration form (application form) via the Authority's online portal, REEFS; (b) a Resolution signed by at least two directors where the PTC has two or more directors, or by the sole director in cases where a PTC has one director indicating the date on which the PTC either ceased or will cease to carry on business; 5 No. Section Comments from the Private Sector Authority's Response Consequent Amendments to the Proposed Measure (5) the entity is not acting as trustee of any trusts. 2. Rule 6.4(c)(1) refers to clients. A PTC conducts no trust business other than connected trust business. Therefore, a PTC by definition does not have clients. The Authority has amended the wording of Rule 6.4 (c)(1). The term clients has been replaced with connected persons. Rule 6.4 (c) has been amended as follows: (c) a Declaration signed by at least two directors where the PTC has two or more directors, or signed by the sole director in cases where a PTC has one director confirming: (1) all connected persons are informed of the closure or intended closure of the registered entity; (2) all outstanding liabilities have been settled; (3) all outstanding complaints against the registered entity are resolved; (4) there are no current, pending or threatened legal proceedings against the registered entity; and (5) the entity is not acting as trustee of any trusts. 8. Rule 6.5 - The information presented in the Declaration must be accurate and the directors of the registered entity may not Rule 6.5 refers to 5.1. should this be read 6.1. The Authority agrees to the deletion of the incorrect reference 5.1. This Rule 6.5 will be amended to read: 6 No. Section Comments from the Private Sector Authority's Response Consequent Amendments to the Proposed Measure delegate the requirements established in 5.1 above to another party reference will be replaced with 6.4(c) The information presented in the Declaration must be accurate and the directors of the registered entity may not delegate the requirements established

in 6.4 (c) above to another party. 9. Rule 6.6 -Where the registered entity will be dissolved; the registered entity must submit to the Authority evidence that company has been placed in voluntary liquidation, at a minimum copies of the forms filed with Registrar of Companies. Rule 6.6 should be expanded to include strike off. The Authority has inserted a new provision to capture cases of strike- offs. The new insertion is reflected as Rule 6.7. Rule 6.7 states: Where the registered entity has applied to the Registrar of Companies to be struck from the register of companies, a Certificate of Strike-Off evidencing the same must be presented to the Authority. What is the timing for the submissions required under Rules 6.6 and 6.7 (i.e proof of liquidation or proof of change of name)?Do there accompany the application for deregistration (i.e., within the 21-day limit) or can they follow later? The Authority expects that all required supporting documents must be submitted to the Authority at the time the application for deregistration is being made. This information is presented in Rule 6.9. 10. Rule 6.8 (formerly Rule 6.7) - Where the registered entity will remain a legal entity carrying out non-licensable services, particularly in the case of a PTC; the registered entity must apply to the Registrar of Companies for a Certificate of Change of Name and submit a certified copy of the certificate to the Authority as confirmation that the entity s name has been changed. There is no timeframe attached to this requirement. The Authority s response is the same as the one provided at item 9 directly above. No changes are required. 7